



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

April 13, 1998

UP's Partial Freight Embargo Lifted. Starting April 14, Union Pacific (UP) Corporation's railroad unit will lift its 2-week old partial embargo of Mexico. The backlog has fallen to about 3,300 cars, down from the March 24 high of 5,800 cars waiting to move through Laredo, Texas. To avoid a recurrence of this problem, UP will begin accepting Mexico-bound traffic under a permit system. UP will require its customers to obtain a permit (beginning midnight, April 13) before moving any freight through Laredo. This permit system will allow UP to meter southbound traffic and limit how many shipments it takes in. Also, to help prevent another such backup, UP will build a federal services building and inspection area at Laredo to provide a secure area for the U.S. Customs and Department of Agriculture inspectors to inspect both carload and intermodal shipments. In conjunction with this new inspection site, the Mexican Agriculture Department has agreed to move its inspection site. It will now conduct large-volume inspections at the TFM (Transportation Ferroviaria Mexicana) rail yard, near the International Bridge at Laredo, instead of on the tracks, thereby allowing other trains to bypass those being inspected. In addition, due to many complaints in the past months from grain elevators, coal companies, and other big shippers, the U.S. Surface Transportation Board (STB) said on March 31 that it will consider possible changes to UP's merger with Southern Pacific, if necessary, to help ease traffic backlogs in the Gulf Coast region. (*Reuters, Journal of Commerce, New York Times, Knight-Ridder*)

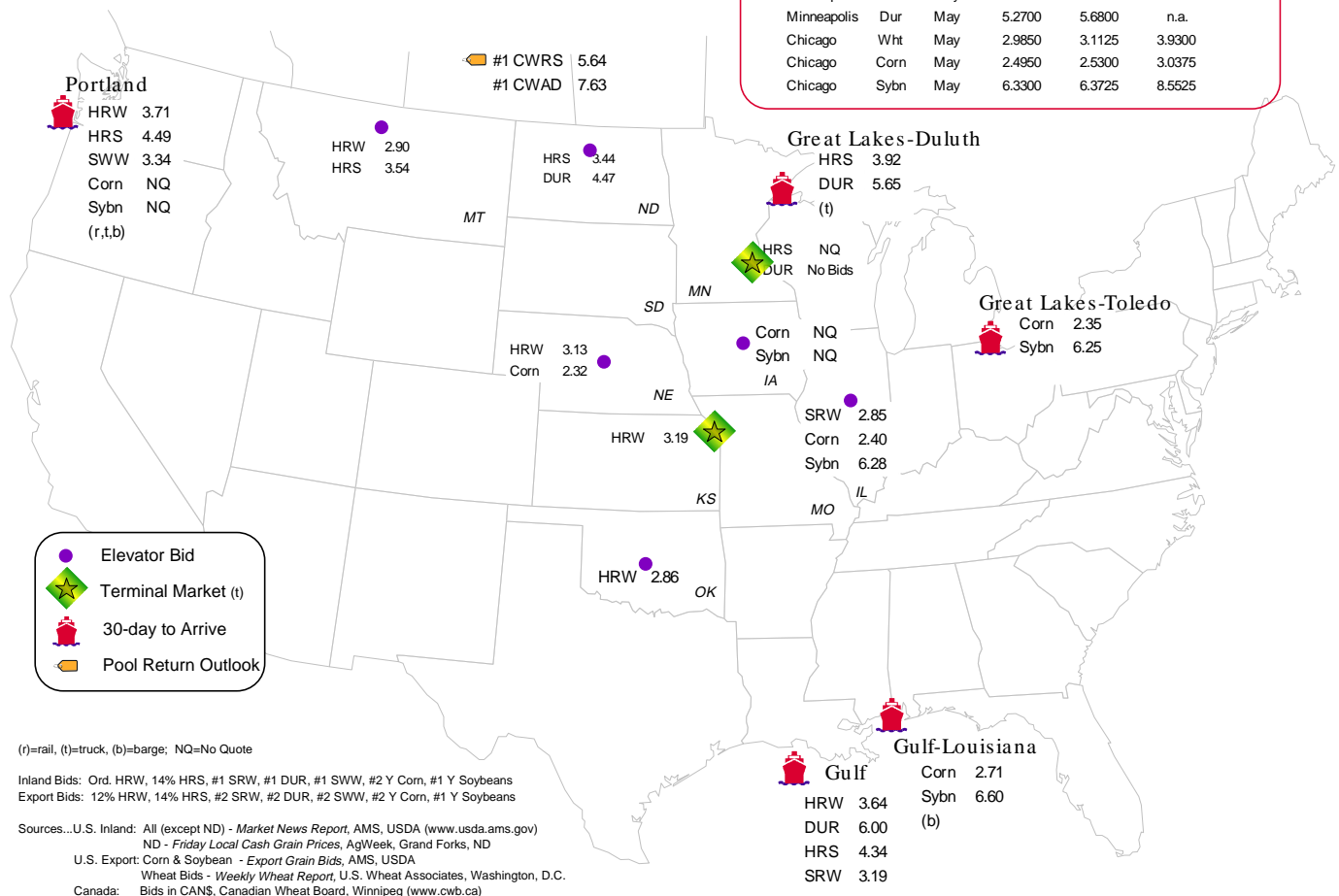
Is Rail Service Reliable? A field hearing for the Subcommittee on Surface Transportation took place April 8 in Hays, Kansas. The purpose of the hearing was to accept recommendations for policy changes to improve the efficiency of the nation's rail industry; however it became a forum for company representatives who depend of rail service to voice their complaints. Their concerns focused on such problems as having to cancel contracts and losing over \$200,000 in income due to insufficient rail service. Shippers blame many of the current problems on mergers, which have reduced the number of large railroads in the western United States. As this continues, Kansas and other states, which rely on rail transport, will become increasingly dependent upon short-line carriers. This, in turn, will cause rail customers to look to the federal government to fund low-interest loans as well as the organization of car pools to be leased to the short-line railroads. Gov. Gary Sherrer said, "Our rail system must be truly interactive. Providing small railroads rights to interchange with all Class I carriers as well as each other will induce new competition and allow a free market system more opportunity to function." (*Associated Press*)

Barge Traffic Continues To Move. Shipments along the Mississippi River and its tributaries continue to move smoothly despite a week-long barge pilots strike, based on Coast Guard reports. In addition to the strike, several barge accidents, occurring since April 3, have not impeded navigation, according to Lt. David Baugh, a Coast Guard marine safety officer in St. Louis. "Barge traffic is moving all the way up and down the Mississippi and Illinois Rivers," according to Lt. Baugh. In addition "there is still plenty of room in fleeting areas," Baugh also stated. Fleeting areas are essentially those areas adjacent to the channel, where empty or loaded barges may be tied up before being moved between terminals or to other cities. Barge traffic on other areas of the Mississippi, such as that between Cape Girardeau, Missouri and the Tennessee-Kentucky border, as well as traffic on the Ohio River, are also operating smoothly, according to the Coast Guard. The strike began April 4, when approximately 80 barge pilots walked off the job. Pilots Agree, the group representing roughly one third of the nation's tugboat pilots, hopes to gain higher wages and force companies to take action on various safety issues for its members. Another barge traffic concern comes from spring rains and melting snow, which are currently raising river levels to near 30 feet, considered flood stage. This is leading to vessel restrictions on an area of the upper Mississippi River near St. Louis. According to Lt. Baugh, restrictions will be lifted when the river level is 25 feet and continuing to fall. (*Reuters, Knight-Ridder*)

This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1303. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.usda.gov/ams/tmd/grain.htm. E-mail comments to Nick_Marathon@USDA.gov.

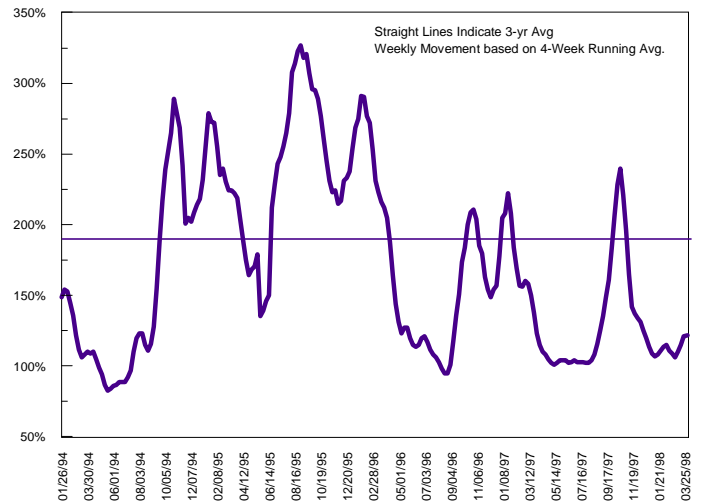
The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, and marital status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA Office of Communications at (202) 720-2791. To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC, 20250, or call (800)245-6340 (voice) or (202)720-1127 (TDD). USDA is an equal opportunity employer.

Grain Bid Summary

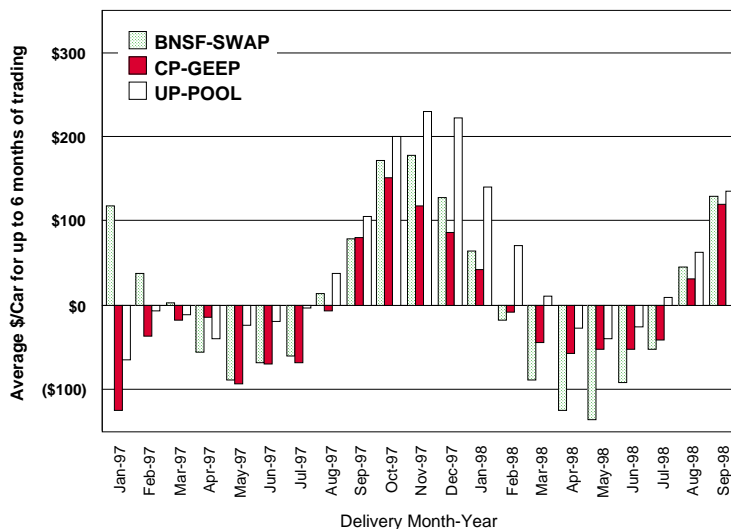


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids

See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	May-98		July-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	18,928	3%	no offer	
UP-GCAS	5,400	23%	no offer	
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Apr-98	May-98	Jun-98	Jul-98
BNSF-COT	\$(259)	\$(226)	\$(135)	\$(56)
CP-GEEP	\$(11)	\$(62)	\$(59)	\$(44)
UP-Pool	\$50	\$7	\$50	\$74

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	May-98	Jul-98	Aug-98
COT/N. Wheat	no bid	no offer	no offer
COT/S. Corn	no bid	no offer	no offer
GCAS/Region 2	\$1	no offer	no offer
GCAS/Region 4	\$20	no offer	no offer

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Contract Rates***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

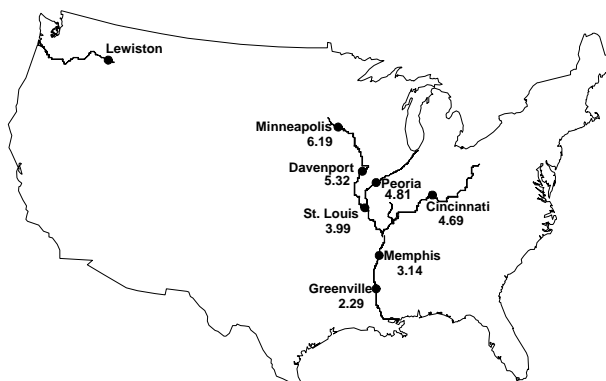
Week ended	River/Region	Contract Period	Rate
4/10/98	no trades reported		

Southbound Barge Freight Rates

	4/9/98	4/2/98	May '98	July '98
Twin Cities	160	160	143	142
Mid-Mississippi	133	128	122	122
Illinois River	120	115	113	113
St. Louis-Cairo	98	92	92	92
Lower Ohio	97	108	102	105
Cairo-Memphis	90	90	92	92

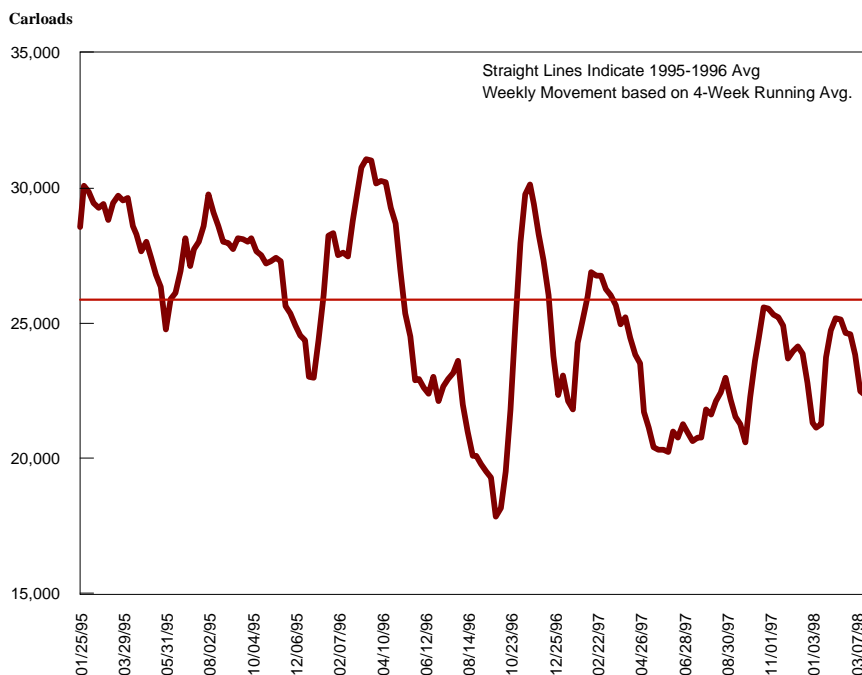
Source: Transportation & Marketing /AMS/USDA
nq- no quote

* Merchants Exchange of St. Louis Daily Barge Call Session

**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/21/98	22,695
3/28/98	21,504
4/4/98	21,145
Year to Date - 1998	305,341
Year to Date - 1997	330,099
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>		<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
04/04/98	587	2,409	1,410	2,597	7,628	494	6,020	2,648	4,712
This Week Last Year	423	2,313	1,146	2,064	7,285	667	8,215	2,637	4,538
1998 YTD	9,880	32,783	17,069	33,987	116,529	9,145	85,948	36,552	57,314
1997 YTD	6,874	32,424	23,319	33,925	109,931	8,640	112,597	36,302	57,513
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

April 1998

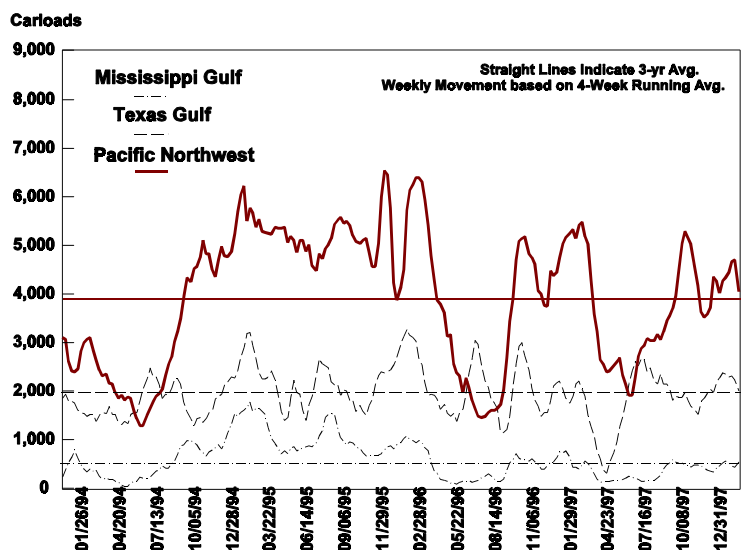
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/17/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/06/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/17/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,450	\$13.16	\$0.44
01/13/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
01/13/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
01/15/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/16/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
11/16/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

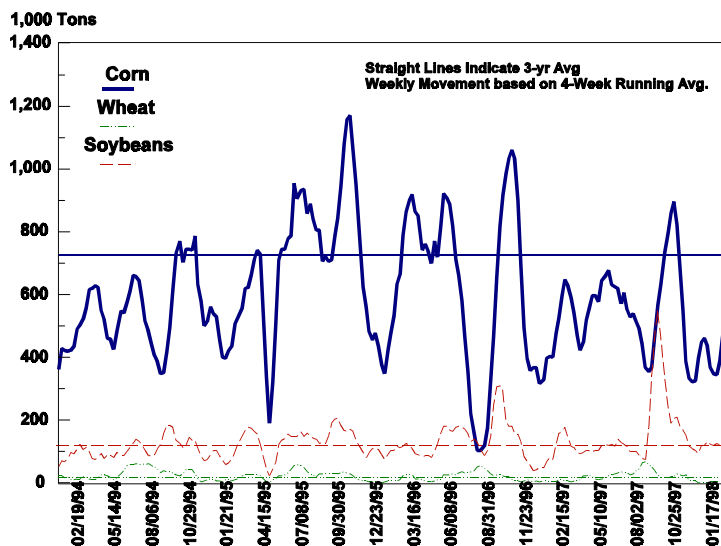
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/18/98	540	2,126	4,732	464
03/25/98	806	1,283	2,326	210
04/01/98	322	2,409	2,753	200
YTD 1998	6,163	27,904	53,719	4,442
YTD 1997	7,390	25,976	64,385	2,416
Total 1997	20,152	93,265	194,905	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation and Marketing/AMS/USDA				

Rail Deliveries to Port



Barge Movements - Locks 27

Barge Grain Movements
for week ending 04/04/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	211	9	35	265
Winfield, MO (L25)	318	11	84	421
Alton, IL (L26)	559	11	133	712
Granite City, IL (L27)	579	20	170	778
Illinois River (L8)	186	0	33	220
Ohio (L52)	14	0	7	91
Arkansas (L1)	0	7	3	10
1998 YTD	6,303	290	2,316	10,128
1997 YTD	6,938	343	2,047	10,745
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963
Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.				
Source: U.S. Army Corp of Engineers				

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/02/98	1,192	220	1,016	503	172	3,103	6,237	1,753	11,093
This Week Year Ago	1,125	159	974	619	311	3,188	8,169	3,584	14,941
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	8,349	4,480	5,218	4,866	1,113	24,027	22,216	20,716	66,959
96/97 YTD	6,660	3,528	6,744	5,245	758	22,943	29,247	19,325	71,515
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

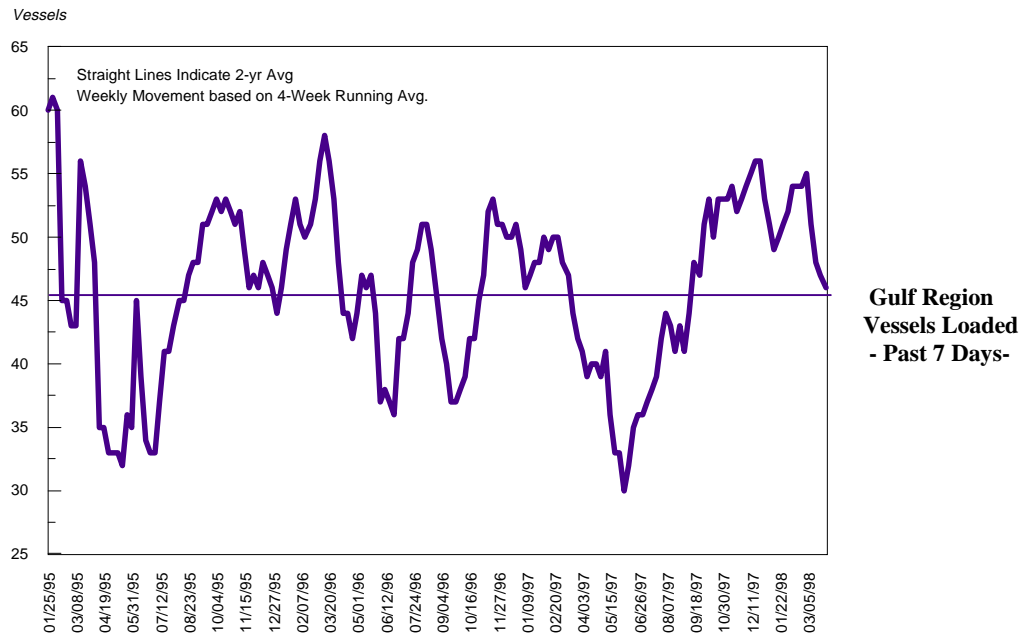
Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
04/09/98	154	103	0	61	469	167	165	0	0
1998 YTD **	2,783	2,346	348	1,767	7,686	6,155	1,835	62	474
1997 YTD **	3,636	4,134	672	1,117	8,988	6,801	733	854	392
% of Last Year	77%	57%	52%	158%	86%	91%	250%	7%	121%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date									

Select Canadian Ports - Export Inspections

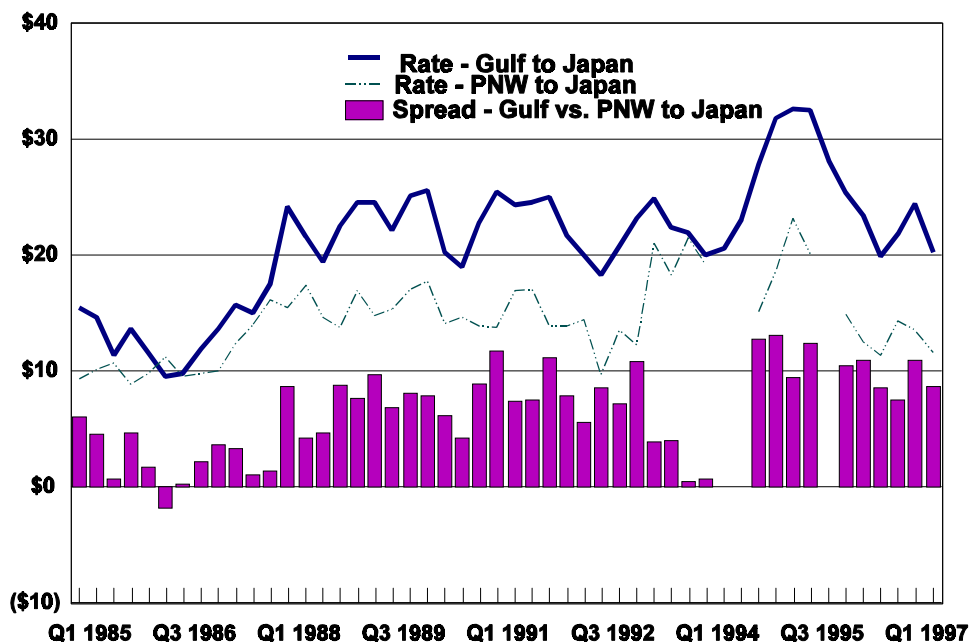
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 04/03/98			
Vancouver	4,796	894	839
Prince Rupert	3,017	31	320
Prairie Direct	815	256	277
Thunder Bay	301	267	221
St. Lawrence	3,047	1,439	7
1997 YTD Exports	11,976	2,887	1,664
1996 YTD Exports	9,100	2,571	2,372
% of Last Year	132%	112%	70%
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31			



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
		Loaded	Due Next		Loaded	Due Next		Loaded	Due Next
	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>	<u>In Port</u>	<u>7-Days</u>	<u>10-Days</u>
04/02/98	39	50	43				12	11	1
04/09/98	37	40	58				7	8	3
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1997 4 th Qtr	1996 4 th Qtr	% Change		1997 4 th Qtr	1996 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.01	\$22.64	-3%	Japan	\$13.34	\$14.66	-9%
Mexico	\$13.97	\$14.96	-7%	Red Sea/ Arabian Sea	\$20.18	\$22.74	-11%
Venezuela	\$13.59	\$12.62	8%				
N. Europe	\$11.34	\$13.28	-15%	Argentina to			
N. Africa	\$14.80	\$15.87	-7%	N. Europe	\$16.12	\$18.15	-11%
				Japan	\$23.23	\$30.37	14%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Vessel Size (Tons)	Freight Rate (\$/Ton)
Gulf	Vera Cruz (Mex.)	Heavy Grains	April	20,000	\$9.00
Gulf	Ireland	Meals	April	24,000	\$11.00
Gulf	Venezuela	Beans/Meals	April	10,000-25,000	\$8.50
Gulf	Holland	Heavy Grains	April	88,000	\$7.20
Gulf	Japan	Heavy Grains	May	40,000-54,000	\$17.05
Gulf	China	Heavy Grains	April	20,000	\$20.00
Gulf	Mombasa	Wheat	April	25,000	\$22.00
St. Lawrence	Venezuela	Wheat	April	18,000	\$13.75
River Plate/Brazil	China	Meals	April/May	50,000-52,500	\$19.00-20.19

Source: Maritime Research Inc.